

MANAGED RISK MEDICAL INSURANCE BOARD
STATE LEGISLATIVE REPORT

September 13, 2012

Bill	Summary
<u>AB 174 (Monning)</u>	Office of Systems Integration: California Health and Human Services Automation Fund
Version: A-8/24/2011	
Sponsor: Author	
Status: Enrolled	Would establish the California Health and Human Services Automation Fund within the State Treasury and would, upon appropriation by the Legislature, and allow for expenditure of money deposited into the fund to support the Office of Systems Integration for several purposes. One of these purposes would be support of the California Healthcare Eligibility, Enrollment and Retention System. Among funding sources described in the bill for this purpose is the Managed Risk Medical Insurance Board, The funds subject to transfer would be those appropriated to MRMIB and other designated agencies in the annual Budget Act for this specific purpose. The bill further authorizes the Franchise Tax Board and the Employment Development Department to disclose tax returns or return information, as well as information on employment, wages and disability insurance and unemployment insurance, respectively, to MRMIB and other designated agencies for verification of eligibility purposes.
~ <u>AB 792 (Bonilla)</u>	Health Care Coverage: California Health Benefit Exchange
Version: A-8/24/2012	
Sponsor: Author	
Status: Enrolled	This bill would, on or after January 1, 2014, require a court, upon the filing of a petition for dissolution or nullity of marriage, or legal separation to provide a specified notice informing the petitioner and respondent that they may be eligible for reduced-cost coverage through the California Health Benefit Exchange or no-cost coverage through Medi-Cal. The bill also would require a court to provide such a notice to a petition for adoption. The bill would require the notice to include information regarding obtaining coverage through those programs and would require the notice to be developed by the Exchange.
<u>AB 823 (Dickinson)</u>	California Children's Coordinating Council
Version: A-6/13/2012	
Sponsor: Children Now	
Status: Enrolled	Would establish the California Children's Coordinating Council to advise and make recommendations to the Governor and the Legislature on ways to improve collaboration among state agencies and departments that provide services to children and ways to improve those services. The bill would specify that the Cabinet consists of the Superintendent of Public Instruction, the Secretary of the California Health and Human Services Agency, the Chief Justice of the California Supreme Court, the heads of several other specified agencies and departments within the state and two members each of the Assembly and the Senate.

* New since last Board meeting.

~ Significant amendments since last Board meeting.

Bill	Summary
~ <u>AB 1083 (Monning)</u>	Health Care Coverage
Version: A-8/24/2012	Would prohibit a health care service plan contract or health insurance policy, with respect to plan years on or after January 1, 2014, from imposing a pre-existing condition provision upon any individual, except as specified. The bill would also enact provisions that apply to non-grandfathered and grandfathered plans with respect to plan years on or after January 1, 2014, consistent with the Patient Protection and Affordable Care Act (ACA). Among other things, this bill would require that on or after October 1, 2013, a plan or insurer must offer, market and sell all non-grandfathered plans sold in the small group market to all small employers in each service area in which the plan provides or arranges for the provision of health care services. The bill would require non-grandfathered plans to provide open enrollment periods consistent with federal law and special enrollment periods and coverage effective dates consistent with the individual non-grandfathered market and would authorize plans and insurers to use only age, geographic region, and whether the plan covers individuals or dependents for purposes of establishing rates for non-grandfathered small employer plans. This bill would authorize the departments of Managed Health Care and Insurance to adopt emergency regulations implementing the bill's provisions regarding grandfathered plans by August 31, 2013, as specified.
Sponsors: Health Access; Small Business Majority	
Status: Enrolled	
~ <u>AB 1453 (Monning)</u>	Essential Health Benefits
Version: A-8/23/2012	This bill would require an individual or small group health care service plan contract issued, amended, or renewed on or after January 1, 2014, to cover essential health benefits, defined as including health benefits covered by particular benchmark plans. The bill would prohibit treatment limits imposed on these benefits from exceeding corresponding limits imposed by the benchmark plans and would generally prohibit a plan from making substitutions of the required essential benefits. The bill would specify that these provisions apply regardless of whether the contract is offered inside or outside the California Health Benefit Exchange; however the bill specifies that its provisions do not apply to several other products, including Medicare supplement plans. The bill also would prohibit a health care service plan from stating or implying that essential health benefits are covered unless specifically stated in the contract.
Sponsor: Author	
Status: Enrolled	
<u>AB 1461 (Monning)</u>	Individual Health Care Coverage
Version: A-8//24/12	Would implement several ACA provisions related to the offer, sale, issuance and renewal of individual health benefits, beginning January 1, 2014. This bill would require health care service plans and insurers that offer individual and small group coverage to issue coverage to every individual or employer that applies for that coverage, regardless of health status. The bill would also require that the coverage be renewed at the option of the plan sponsor or individual and not be terminated nor rated up based on health status. The bill includes several details regarding open enrollment and special enrollment periods, prohibited conditions for enrollment, prohibitions on targeted solicitations and allowable rating characteristics. SB 961 contains identical provisions.
Sponsor: Author	
Status: Enrolled	

* New since last Board meeting.

~ Significant amendments since last Board meeting.

Bill	Summary
~ <u>AB 1526 (Monning)</u>	California Major Risk Medical Insurance Program
Version: A-8/24/2012	Would allow MRMIB set premiums for MRMIP as low as 100 percent of the standard premiums paid for comparable coverage in the private market during calendar year 2013. Furthermore, the bill would prohibit the additional subsidy from affecting the calculation of premiums for certain commercial products that, by statute, base premiums on MRMIP subscriber premiums. These include health care service plans and health insurance sold under the Guarantee Issue Pilot Program, HIPAA individual market plans and conversion coverage.
Sponsor: Author	
Status: Enrolled	
<u>AB 1846 (Gordon)</u>	Consumer Operated and Oriented Plans
Version: A-8/21/2012	Would authorize the Director of the Department of Managed Health Care to issue a health care service plan license or the Insurance Commissioner to issue a certificate of authority to a consumer operated and oriented plan (CO-OP) established consistent with the ACA. The bill would specify that a CO-OP that is issued a health care service plan license or certificate of authority is subject to all other provisions of law relating to health care service plans or insurance and would further specify that a CO-OP health care service plan or insurer and any solvency loan obtained by the CO-OP are subject to certain requirements imposed on mutual insurers.
Sponsor: Author	
Status: Enrolled	
~ <u>AB 2508 (Bonilla)</u>	Public Contracts: Public Health Agencies
Version: A-8/24/2012	Would prohibit a state agency from contracting for call center services with entities that do not certify that contracted and subcontracted work is being performed solely by workers employed in California. The bill requires that any contractor that knowingly provides false certification shall be subject to a civil penalty of \$10,000, in addition to any other remedies available to the state agency. The bill specifies that these requirements would apply to state agencies that are authorized to enter into contracts for specific public benefit programs, including CalWORKS, CalFresh, Healthy Families and the California Healthcare Eligibility, Enrollment and Retention System. The only exception that may be exercised is if the California Health and Human Services Agency or the board of the California Health Benefit Exchange determines that bids from a prior solicitation were unreasonably high as a result of this bill's provisions. This bill is would go into effect January 1, 2013. The bill also specifies that these requirements would not apply to a contract with a health care service plan or a specialized health care service plan regulated by the Department of Managed Health Care or a contract with a disability insurer or specialized health insurer regulated by the Department of Insurance and any subcontracts performed under those contracts.
Sponsor: California Labor Federation, Western Center on Law and Poverty	
Status: Enrolled	

* New since last Board meeting.

~ Significant amendments since last Board meeting.

Bill	Summary
~ <u>SB 764 (Steinberg)</u>	Developmental Services: Telehealth Systems Program
Version: A-8/20/2012	This bill would require each regional center individual program planning team to consider the use of telehealth, as defined in state statute, whenever applicable, for the purpose of improving access to intervention and therapeutic services for consumers and family members, and for purposes of facilitating better and cost-effective services, as provided. The bill would require the department to implement appropriate vendorization subcodes for telehealth services and programs.
Sponsor: Author	
Status: Enrolled	
<u>SB 951 (Hernandez)</u>	Health Care Coverage: Essential Health Benefits
Version: A-8/24/2012	Would require that, consistent with the ACA, individual and small group coverage include “essential health benefits” beginning in January 2014. The bill would define “essential health benefits” as those benefits and services covered by the Kaiser Foundation Health Plan Small Group HMO 30 Plan offered during the first quarter of 2012. The bill specifies that these benefits and services would include those items and services covered by the contract within the categories required by the ACA and mandated benefits enacted prior to December 31, 2011. AB 1453 contains similar provisions.
Sponsor: Author	
Status: Enrolled	
<u>SB 961 (Hernandez)</u>	Individual Health Care Coverage
Version: A-8/24/2012	Would implement several ACA market reforms that take effect January 1, 2014 regarding the offer, sale, issuance and renewal of individual health benefits. The bill would require health care service plans and insurers that offer individual and small group coverage to issue coverage to every individual or employer that applies for that coverage, regardless of health status. The bill would also require that the coverage be renewed at the option of the plan sponsor or individual and that it not be terminated nor rated up based on health status. The bill includes several details regarding open enrollment and special enrollment periods, prohibited conditions for enrollment, prohibitions on targeted solicitations and allowable rating characteristics. AB 1461 contains identical provisions.
Sponsor: Author	
Status: Enrolled	

* New since last Board meeting.

~ Significant amendments since last Board meeting.

Bill	Summary
~ <u>SB 970 (De Leon)</u> Version: A-8/20/2012 Sponsor: Western Center on Law and Poverty Status: Enrolled	Health Care Reform Eligibility, Enrollment, and Retention Planning Act: Coordination with Other Programs This bill would provide for the transmittal of information to a county human services department about an applicant initially applying for or renewing health care coverage using the single state application developed as a result of existing law in order to have his or her application information used to simultaneously initiate applications for CalWORKs and CalFresh. The bill would authorize the Secretary of the California Health and Human Services Agency to phase in implementation of these provisions under certain circumstances and to convene a work group of human services and health care advocates, and staffs of the Legislature and appropriate state and local departments, to consider the feasibility, costs and benefits of integrating application and renewal processes for additional human services and work support programs with the single state application described in the bill. The bill would require that work group results be reported to appropriate fiscal and policy committees of the Legislature by July 1, 2013.

Bills No Longer Being Reported

Bill	Summary
<u>AB 43 (Monning)</u> Version: A-8/24/2012 Sponsor: Author Status: Dead	Medi-Cal: Eligibility Beginning January 1, 2014, this bill would have implemented various provisions of the federal ACA, including modifying provisions relating to determining eligibility for certain groups. The bill would have extended Medi-Cal eligibility to specified adults and require that income eligibility be determined based on modified adjusted gross income (MAGI). The bill would have prohibited the use of an asset or resources test for individuals whose financial eligibility for Medi-Cal is determined based on the application of MAGI. Also beginning January 1, 2014, this bill would have added benefits, services and coverage included in the essential health benefits package to the schedule of Medi-Cal benefits upon approval by the U.S. Secretary of Health and Human Services.
<u>AB 52 (Feuer)</u> Version: A-6/1/2011 Sponsor: Author Status: Dead	Health Care Coverage: Rate Approval Would have required a health care service plan or health insurer to receive approval from the departments of Managed Health Care or Insurance prior to implementing any new rate or rate change for individual or group contracts or policies, beginning January 1, 2012. The bill also would have prohibited DMHC or DOI from approving any rate or rate change found to be excessive, inadequate or unfairly discriminatory and would have authorized the imposition of fees and civil penalties on health care service plans and health insurers for violating its provisions.

* New since last Board meeting.

~ Significant amendments since last Board meeting.

Bill	Summary
<u>AB 714 (Atkins)</u>	Health Care Coverage: California Health Benefit Exchange
Version: A-6/30/2011	Would have required certain public insurance programs, including the Healthy Families Program, Access for Infants and Mothers, Major Risk Medical Insurance Program and Pre-Existing Condition Insurance Plan, to notify individuals who cease to be enrolled that they may be eligible for coverage provided by the California Health Benefit Exchange. Upon approval from the federal government, the bill would have required these programs to transfer information to the Exchange to initiate eligibility determinations and enrollment. The bill also would have required certain hospitals, when billing, to include additional disclosures regarding the availability of health care coverage provided through the Exchange.
Sponsor: Health Access	
Status: Dead	
<u>AB 826 (Swanson)</u>	Medi-Cal: Managed Care Plan Tax: Healthy Families Program Transition: Skilled Nursing Facility and Managed Care Plan Charges
Version: A-8/24/12	This bill would have extended the the Managed Care Organization (MCO) tax on total operating revenue of Medi-Cal managed care plans until July 1, 2014, and also would have authorized the state Controller to loan funds in the Children's Health and Human Services Special Fund to the General Fund, as provided, until July 1, 2013. Additionally, this measure would have repealed the provisions requiring the transfer of HFP enrollees to the Medi-Cal Program. Provisions of this bill are similar to those of SB 301.
Sponsor: California Medical Association	
Status: Dead	
<u>AB 1072 (Fuentes)</u>	Community Development: California Promise Neighborhoods Initiative
Version: A-6/21/2011	Would have established the California Promise Neighborhoods Initiative in the Office of Economic Development to support children's development and improve community efforts regarding the health, safety, education and economic development within participating neighborhoods. This bill required that the OED use existing state resources, available federal funds and grants, donations and other public and private financial support. The bill would have required the OED to work with the California Health and Human Services Agency and local counties to establish participation goals for HFP, CalFresh, Medi-Cal and other programs that it identified.
Sponsors: Author	
Status: Dead	
<u>AB 1334 (Feuer)</u>	Schoolbus Transportation: Schoolbus Stops
Version: A-6/15/12	Prior to the most recent amendments, would have required health care service plans and health insurers, from July, 2012 through December 2013, to disclose whether or not their products meet the essential benefits threshold set forth in the ACA and whether or not their products offer an actuarial value of more than 70 percent. The bill would have also required health care service plans and health insurers, beginning July 1, 2014, to categorize all products offered in the individual market into five tiers according to actuarial value as set forth in the ACA: bronze, silver, gold, platinum and catastrophic.
Sponsors: Western Center on Law and Poverty, CALPIRG, CMA, ACLHIC, CAHP	
Status: Dead	

* New since last Board meeting.

~ Significant amendments since last Board meeting.

Bill	Summary
<u>AB 1469 (Committee on Budget)</u>	Public Health: Medi-Cal: Skilled Nursing Facility and Managed Care Plan Charges
Version: 8/22/12	In addition to provisions related to skilled nursing facilities, this bill would have extended the imposition of the Managed Care Organization (MCO) tax on the gross premiums of an insurer until July 1, 2014, and would have made other conforming changes. This bill would have authorized the state Controller to loan funds in the Children's Health and Human Services Special Fund to the General Fund, also until July 1, 2014, and after deduction of revenues, would have appropriated to the Medi-Cal Program, remaining revenue to the Managed Risk Medical Insurance Board for operation of the HFP
Sponsor: Assembly Committee on Budget	
Status: Dead	
<u>AB 1636 (Monning)</u>	Health and Wellness Programs
Version: A-6/25/2012	Would have required the Department of Managed Health Care to convene a special committee composed of individuals with specific expertise in collaboration with the Department of Insurance, the California Health Benefit Exchange and the Department of Public Health to review and evaluate health and wellness incentive and rewards programs offered by health care service plans, health insurers and employers. The bill would have required the committee to evaluate these programs for effectiveness based upon scientific evidence and to examine the extent to which these programs may result in discrimination. The bill would have required the committee to meet publicly and would have required the first meeting to be conducted no later than March 30, 2013. Finally, the bill would have required the committee to discuss its findings and make recommendations in a report submitted to the Assembly and Senate Health committees by March 30, 2014.
Sponsor: Author	
Status: Dead	
<u>AB 1728 (Galgiani)</u>	Health Care Programs: Provider Reimbursement Rate
Version: A-4/16/2012	Would have prevented the provider rates within specific publicly administered health coverage programs from being reduced from the current cost-based hospital interim rate to the Medi-Cal rates developed by the California Medical Assistance Commission. This bill would have had the greatest impact on providers of services to non-Medi-Cal children in the California Children's Services program, including HFP children. This bill would have taken effect immediately as an urgency statute.
Sponsor: California Children's Hospital Association	
Status: Dead	

* New since last Board meeting.

~ Significant amendments since last Board meeting.

Bill	Summary
<u>AB 2214 (Monning)</u>	Health Workforce Development
Version: A-8/6/2012	This bill would have required the California Workforce Investment Board to establish the Health Workforce Development Council to help expand California's health workforce. The council would have consisted of representatives from the board's existing membership, other state agencies and departments, higher education, labor, the health care industry, workforce groups, philanthropic, nongovernmental and consumer advocacy entities. The bill would have required the council to establish a statewide plan for health workforce development and to annually inform the Legislature of its initiatives and progress. The bill specified that the statutes authorizing the council would cease to be effective January 1, 2019. The bill also would have required persons engaged in clinical laboratory practice, radiologic technology and nuclear medicine technology to report their practice status, cultural background and foreign language proficiency to the Department of Public Health. The bill would have required the Department to post this information on its web site.
Sponsor: Author	
Status: Dead	
<u>ACA 24 (Donnelly)</u>	Health Care Coverage
Version: I-2/24/2012	Would have proposed an amendment to the California Constitution to prohibit a federal, state or local law or rule from compelling a person or business to participate in a health care system. The bill would have further prohibited a federal, state or local law or rule from imposing penalties or fines for the sale or purchase of health care or health insurance. The bill would not have affected those laws or rules that were in effect as of March 19, 2010.
Sponsor: Author	
Status: Dead	
<u>SB 301 (DeSaulnier)</u>	Medi-Cal: Managed Care Plan Tax: Healthy Families Program Transition: Skilled Nursing Facility and Managed Care Plan Charges
Version: A-8/24/2012	This bill would have extended the Managed Care Organization (MCO) tax on the total operating revenue of Medi-Cal managed care plans until July 1, 2014, and would have also authorized the state Controller to loan funds in the Children's Health and Human Services Special Fund to the General Fund, as provided, until July 1, 2013. Additionally, this measure would have repealed the provisions requiring the transfer of HFP enrollees to the Medi-Cal program. Provisions of this bill are similar to those of AB 826.
Sponsor: California Medical Association	
Status: Dead	
<u>SB 635 (Hernandez)</u>	Health Care: Workforce Training
Version: A-5/31/2011	Would have shifted proceeds of managed care administrative fine and penalty funding from the Major Risk Medical Insurance Program to family practice residency programs, physician assistant and nurse practitioner programs and registered nurse education programs administered by the Office of Statewide Health Planning and Development under the Song-Brown Workforce Training Act beginning on the date that MRMIP becomes inoperative.
Sponsor: Author	
Status: Dead	

* New since last Board meeting.

~ Significant amendments since last Board meeting.

Bill	Summary
<u>SB 677 (Hernandez)</u>	Medi-Cal: Eligibility
Version: A-8/24/2012	Beginning January 1, 2014, this bill would have implement various provisions of the ACA, including extending Medi-Cal eligibility to specified adults and requiring that income eligibility be determined based on modified adjusted gross income (MAGI). The bill would have prohibited the use of an asset or resources test for individuals whose financial eligibility for Medi-Cal is determined based on the application of MAGI. This bill also would have added to Medi-Cal coverage benefits, services and coverage included in the essential health benefits package as adopted by the state and approved by the U.S. Secretary of Health and Human Services. Provisions of this bill are similar to those of AB 43.
Sponsor: Author	
Status: Dead	
<u>SB 690 (Hernandez)</u>	Health Care Coverage: Discrimination
Version: A-6/18/2012	Would have implemented ACA provisions prohibiting health insurers and health care service plans from discriminating against entire classes of providers who are acting within their scopes of licensure or certification. The bill specified that it would not require health plans to contract with any health care provider willing to abide by the terms and conditions for participation in the plan nor would it have prevented a health plan from establishing varying reimbursement rates based on quality performance measures.
Sponsor: Author	
Status: Dead	
<u>SB 694 (Padilla)</u>	Dental Care
Version: A-8/6/2012	Would have created a Statewide Office of Oral Health within the Department of Public Health to advance and protect the oral health of all Californians and would have required that the dental director be a licensed dentist. The bill would have required that the Office design and implement a study to assess safety, quality, cost-effectiveness and patient satisfaction with expanded dental procedures performed by dental care providers for the purpose of informing future decisions about how to meet the unmet oral health needs of the state's children. The bill specified that the study should examine specific topics, including a comparison of dental procedures performed by different types of dental providers under varying levels of supervision and an examination of dental care providers in public health settings. The bill would have provided that no General Fund funding sources would be used to fund the office.
Sponsor: Children's Partnership	
Status: Dead	
<u>SB 703 (Hernandez)</u>	Health Care Coverage: Basic Health Program
Version: A-6/25/2012	Would have required the Department of Health Care Services to establish a Basic Health Program pursuant to the federal ACA and specified the department's responsibilities and authorities to administer the program accordingly. Section 1331 of the ACA provides for a state option to establish one or more "Basic Health" insurance plans for individuals between 133 percent and 200 percent of the federal poverty level instead of offering those individuals coverage through the Exchange. Coverage was to be provided through competitive contracting with standard health plans.
Sponsor: Local Health Plans of California	
Status: Dead	

* New since last Board meeting.

~ Significant amendments since last Board meeting.

Bill	Summary
<u>SB 728 (Negrete-McCloud)</u>	Medi-Cal: Durable Medical Equipment Reimbursement
Version: A-8/22/12	Prior to the most recent amendments, would have required the board of the California Health Benefit Exchange to work with the Office of Statewide Health Planning and Development, the Department of Insurance and the Department of Managed Health Care to develop a risk adjustment system for products sold in the Exchange and outside of the Exchange.
Sponsor: California Association of Medical Products Supplies (CAMPS)	
Status: Enrolled	
<u>SB 1321 (Harman)</u>	Essential Health Benefits
Version: A-5/30/2012	Would have required the board of the California Health Benefit Exchange to determine the total cost of benefits for each health plan listed as an essential health benefits benchmark plan for the purpose of defining essential health benefits under the ACA. The bill would have required that the plan with the lowest total cost of benefits set the benchmark for items and services to be included in the definition of essential health benefits. This bill would have taken effect immediately as an urgency statute.
Sponsor: Author	
Status: Dead	
<u>SB 1416 (Rubio)</u>	Medical Residency Training Program Grants
Version: A-8/6/2012	Would have created the Graduate Medical Education Trust Fund in the State Treasury to consist of private moneys donated to the California Healthcare Workforce Policy Commission. The bill would have required that the fund be used, upon appropriation by the Legislature, to fund grants to graduate medical residency training programs. The bill would have required the Office of Statewide Health Planning and Development, in consultation with the California Healthcare Workforce Policy Committee, to develop criteria for distribution of available funds. The bill would have required that no general fund moneys be used to implement its provisions.
Sponsor: Author	
Status: Dead	

Knox-Keene Bills

The following list includes bills that would change the requirements of health care service plans under the Knox-Keene Health Care Service Plan Act of 1975. Staff will continue to track the progress of these bills and provide additional summary information as needed.

Bill	Mandated Service or Benefit
<u>AB 137 (Portantino)</u>	Health Care Coverage: Mammographies
Enrolled	
<u>AB 369 (Huffman)</u>	Health Care Coverage: Prescription Drugs
Enrolled	
<u>AB 1000 (Perea)</u>	Health Care Coverage: Cancer Treatment (Enrolled)
Enrolled	

* New since last Board meeting.

~ Significant amendments since last Board meeting.

<u>SB 255</u> (<u>Pavley</u>)	Health Care Coverage: Breast Cancer
Enrolled	

<u>SB 1538</u> (<u>Simitian</u>)	Health Care: Mammograms
Enrolled	

Knox-Keene Bills No Longer Being Reported

These bills failed the deadline for policy committees to report bills [Joint Rule 61(b)(13)] or died at the end of Session.

Bill	Summary
<u>AB 154</u> (<u>Beall</u>)	Mental health services for non-SMI (severe mental illness) services and substance abuse disorder
<u>AB 171</u> (<u>Beall</u>)	Screening, diagnosis and treatment, other than behavioral health treatment, of pervasive developmental disorder or autism
<u>AB 1800</u> (<u>Ma</u>)	Health Care Coverage

* New since last Board meeting.

~ Significant amendments since last Board meeting.